

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Public Services – Treasuries and Accounts Department –Khammam District _Irregular admittance of Diet Charges bills over and above budget authorizations and other irregularities at the District Treasury, Khammam – Departmental Proceedings initiated against Sri A.Hanumantha Reddy, ATO (Retd) – Imposition of a punishment of withholding of 10% pension for a period of (5) years - Orders –Issued

FINANCE (ADMN.I.VIG) DEPARTMENT

G.O.Rt.No. 2827

Dated: 13-07-2009.

Read the following:-

1. DTA Letter No. K4/16375/2002, dated 01-01-2004.
2. G.O.Ms.No.271, Finance (Admn.I) Department, dated 17-3-2004.
3. G.O.Rt.No.789, Finance. (Admn.I) Department dated 17-3-2004
4. Defence Statement of Sri A.Hanumantha Reddy, ATO (Retd),
District Treasury, Khammam, dated: 14-12-2004.
5. G.O.Rt.No.227, Finance (Admn.I.Vig.) Department, dated 2-2-2005.
6. DTA Lr.No.KII (6)/16375/2000, dt: 10-07-2007 along with the
Enquiry Report of Sri G.Shiv Kumar Reddy, DD, DT, Rangareddy.
7. Govt. Memo.No.6043/70/A2/Admn.I.Vig/2004,dt:18-09-2007.
8. DTA Lr.No.KII (6)/3516/2000, dated 30-11-2006 along with explanation of
Sri A.Hanumantha Reddy, ATO (Retd.), dated 28-11-2007.
9. Govt.Memo.No.6043/70/A2/Admn.I.Vig/2004,dt:24-07-2008.
10. DTA Lr.No. KII (6)/3516/2000, dated 22-06-2007 along with explanation of
Sri A.Hanumantha Reddy, ATO (Retd),dt: 20-10-2008.
11. DTA Lr.No. KII (6)/16375/2000, dt:04-03-2009.
12. Govt. Lr.No.6043/70/A2/Admn.I.Vig/2002, dated 16-03-2009.
13. Secretary, APPSC, Lr.No.419/RT-I/3/2009, dated 26-05-2009.

ORDER:

In the reference 1st read above, the DTA has informed that based on the report of District Collector received vide his D.O.Lr.No.C.C./28/2001, dt.17-2-2003, it was noticed that the bills of Diet Charges/Scholarships in respect of various Hostels of welfare Departments of B.C. Welfare and S.T. Welfare at Khammam District were admitted in excess of the Budget allocated during the Financial Years 1999-2000, 2000-2001 at District Treasury, Khammam in violation of G.O.Ms.No.68, Finance and Planning (FW.BG) Department, dt. 27-3-1996. Further, certain bills under one Minor Head were booked into other Minor Head in the Budget Control Registrar as the Budget under the relevant minor Head was insufficient. The Director of Treasuries and Accounts has found the following officers were involved in this case:

1. Sri A.Hanumantha Reddy, Assistant Treasury Officer (Retd.).
2. Sri Mohd. Moizuddin, STO, District Treasury, Khammam.
3. Sri P.Satyanarayana, STO, District Treasury, Khammam.
4. Sri M.Venkateswara Rao, Senior Accountant, District Treasury, Khammam
5. Sri P.Rayappa, STO, District Treasury, Khammam.

2. Government initiated Departmental Proceedings against Sri A.Hanumantha Reddy, Assistant Treasury Officer (Retd.) vide G.O.Ms.No.271, Finance (Admn.I) Deptt, dt. 17-3-2004 and issued Articles of charges vide G.O.Rt.No.789, Finance. (Admn.I) Deptt, dt. 17-3-2004 under Rule 9 of A.P. Revised Pension Rules, 1980. The then Regional Joint Director of Treasuries and Accounts, Region-III, Hyderabad has initiated disciplinary action against the following Treasury personnel:

1. Sri P.Satyanarayana, STO, District Treasury, Khammam.
2. Sri M.Venkateswara Rao, Senior Accountant, District Treasury, Khammam
3. Sri P.Rayappa, STO, District Treasury, Khammam.

3. The following Articles of Charges were framed against Sri A.Hanumantha Reddy, Assistant Treasury Officer (Retd.), District Treasury Khammam:

Charge-I:

That the said Sri A.Hanumantha Reddy, Assistant Treasury Officer (Retd.), District Treasury Khammam has admitted Diet Charges bills exceeding over and above the budget allotment of worth of Rs. 26,31,612-00 during the financial year 1999-2000 and 2000-2001 to various Hostels of B.C. Welfare, S.C. Welfare and S.T. Welfare Departments at District Treasury, Khammam.

Charge-II:

That the said Sri A.Hanumantha Reddy, Assistant Treasury Officer (Retd.), District Treasury Khammam has admitted the bills without entry in the budget control register, but accounted for in the accounts. The Budget control Register and other connection records have not been maintained properly.

Charge-III:

That the said Sri A.Hanumantha Reddy, Assistant Treasury Officer (Retd.), District Treasury Khammam has admitted diet/Scholarships bills in the different minor heads to various Hostels and B.C. Welfare, S.C. Welfare and S.T. Welfare Department at the District Treasury, Khammam

4. **The Charged Officer, Sri A.Hanumantha Reddy**, in his defence statement, in respect of Charge-I, has stated that he has produced the reconciliation statements furnished by the Departmental Officers for the periods in question. When the departments have accepted the expenditure without raising any objection, it cannot be said that he

violated budget relations and admitted the bills in excess of budget allotment. Even the Comptroller and Auditor General of India did not point any budget violations for this period in the "Finance Accounts" and "Appropriation Accounts" and consequently the public accounts committee did not point out any irregularity in the matter of admission of bills pertaining to social welfare, B.C. Welfare and Tribal Welfare Departments. The State Legislature, which granted funds to the Departments, did not discuss about the irregularities said to have occurred during this period. When the entire matter was closed, it is not expedient to take up the issue based on perfunctory report. The then D.T.Os. S/Sri.L.Seshagiri Rao and B.Ramaseshu sent reports to the higher authorities as they developed grudge against him for the reasons best known to them. In case, the excess budget is allowed, it is not questioned immediately after the closer of the financial year. Further, the Disciplinary authority does not furnish details for the said excess admission of bills to an extent of Rs.26,31,612/- and hence the charge is not legally valid.

In respect of **Charge-II, the Charged Officer** has stated that he never passed any bills without getting it entered the Budget Control Register. Sri B.Ramaseshu, the then D.T.O. held charge of the Social Welfare subject during the year 1999-2000 and it is not justifiable to find fault with him without verifying the records. As already stated against Charge-I, there is no objection from the side of the A.G. and the Inspecting Officers about the maintenance of Budget Control Registers. This explanation offered against Charge-I is exhaustive and covers the charge also. The Charge is not sustainable. Further, no case of misappropriation is said to have occurred in these departments during the period of 1999-2000 and 2000-2001. Hence, the Charged Officer has requested to drop the Charges framed against him.

5. After examining the written statement of defence of the Charged Officer, Government found that the defence of the Charged Officer is not satisfactory and ordered for a regular enquiry duly appointing Sri G.Shiv Kumar Reddy, Deputy Director, District Treasury Office, Ranga Reddy as Inquiry Officer and Sri D.Malyadri, Deputy Director, District Treasury, Kurnool as Presenting Officer to inquire into the Charges framed against him as per the procedure prescribed under Rule 20 of APCS (CCA) Rules 1991 read with Rule 9 of A.P. Revised Pension Rules, vide G.O.Rt.No.227, Finance (Admn.I.Vig.) Department, dated 2-2-2005.

6. The Inquiry authority has submitted his report through Director of Treasuries and Accounts vide reference 5th read above. In the Inquiry, out of the (3) charges framed (2) charged were held proved in respect of (1) Sri A.Hanumantha Reddy, ATO (Retd.).

7. The following are the findings of the Inquiry Officer in respect of Sri A. Hanumantha Reddy (Retd.):

Charge-I:

The Charged Officer has admitted certain bills in respect of certain B.C welfare Hostels, which were found to be over and above the budget available, under M.H 2225-

03-277-07-660 during the Financial Year 1999-2000. The details of such bills are given below.

I. B.C. Welfare Hostels :

1. In respect of B.C. Boys Hostel (A) Khammam the budget allotted under 2225-03-277-07-660 Diet Charges for the year 1999 – 2000 was Rs. 2,04,750.00 where as the expenditure incurred up to 31.03.2000 was Rs. 2,54,363.00(P.No. 13 of B.C.R Vol.No.15). Thus an amount of Rs. 49,613.00 was incurred in excess of budget allotment. The Budget Control Register, Volume No.15, Page No.10, has contained the details of budget allocation of Rs. 50,000.00 to the said Hostel. But however the same was shown as rounded up and Not Authorized at Page No.176 of Vol. 10 of Budget authorization Register. Hence an excess of Rs. 49,613.00 was booked in the said Hostel under M.H. 2225-03-277-07-660 Diet Charges.
2. In respect of B.C. Boys Hostel (B) Khammam the budget allotted under 2225-03-277-07-660 Diet charges for the year 1999 – 2000 was Rs.1,96,560.00 where as the expenditure incurred up to 31.03.2000 was Rs.2,25,820.00 (P. No.29 of Budget Control Register Vol.15). Thus an amount of Rs. 29,260.00 was incurred in excess of budget allotment. Due to wrong calculations the expenditure was shown as Rs.2,23,820=00 in the Budget Control Register. An amount of Rs. 30,000.00, which was shown as authorized, was not actually authorized to the above hostel as per the details available in Page No.176 of Vol. 10 of Budget authorization Register. Hence an excess of Rs. 29,260.00 was booked in the said Hostel under M.H. 2225-03-277-07-660 diet charges.
3. In respect of B.C. Boys Hostel Chinthakani, the budget allotted under 2225-03-277-07-660 Diet Charges for the year 1999 – 2000 was Rs. 1,17,046=00 where as the expenditure incurred up to 31.03.2000 was Rs. 1,35,923=00 (P.No.57 of Budget Control Register Vol.15). Thus an amount of Rs 18,877=00 was incurred in excess of budget allotment.

The expenditure was shown as Rs.1,25,923.00 in the Budget Control Register due to wrong calculations. An amount of Rs. 10,000=00, which was shown as authorized, was not actually authorized to the above hostel as per the details available in Page No.176 of Vol.10 of Budget authorization Register. Hence an excess of Rs.18,877=00 was booked in the said Hostel under M.H. 2225-03-277-07-660 Diet charges.

4. In respect of B.C. Girls Hostel Thirumalai Palem the budget allotted under 2225-03-277-07-660 diet charges for the year 1999 – 2000 was Rs. 1,74,000.00

where as the expenditure incurred up to 31.03.2000 was Rs. 2,14,000=00 (P. No.105 of B.C.R Vol.15). There by leading to an excess of Rs.40,000=00.

An amount of Rs. 40,000.00, which was shown as authorized, was not actually authorized to the above hostel as per the details available in Page No.176 of Vol.10 of Budget authorization Register. Hence an excess of Rs. 39,280.00 was booked in the said Hostel under M.H. 2225-03-277-07-660 Diet charges.

5. In respect of B.C. Boys Hostel, V.V. Palem the budget allotted under 2225-03-277-07-660 diet charges for the year 1999 - 2000 was Rs. 2,12,940.00 where as the expenditure incurred up to 31.03.2000 was Rs. 2,52,405.00 (P. No.41 of B.C.R Vol.15). There by leading to an excess of Rs.39,465.00.

An amount of Rs. 40,000.00, which was shown as authorized, was not actually authorized to the above hostel as per the details available in Page No.176 of Vol.10 of Budget authorization Register. Hence an excess of Rs.39,465=00 was booked in the said Hostel under M.H. 2225-03-277-07-660 Diet charges.

II. SC welfare Hostels :-

For the years 1999-2000 and 2000-2001 in respect of various Social Welfare Hostels there is a discrepancy in the figures booked in the Accounts and that of Budget Control registers. But as Accounts is the document which captures the entire information of transactions in Unit Office, the figures as found in Accounts are relied upon rather than on Budget Control Register, where certain entries of transaction can be omitted hence masking the real picture of expenditures booked. And all such figures found in the Accounts pertaining to the following Hostels shows certain items of expenditures were booked in excess of over and above the budget allocations under MH 2225-01-277-07-660 in the year 1999-2000 and 2000-2001. All such details are given below.

III. S.T welfare Hostels:

In the year 2000-01 under the head of Account M.H. 2225-02-277-06-660 certain items of expenditures were booked under various hostels from 04/2001 onwards amounting to Rs.17,62,463=00. But however there was no corresponding budget that was allocated under this particular Head of Account. Further certain excess payments were noticed under M.H 2225-02-277-04-660 Diet charges, during the year 1999-2000, the details of which are as under follow.

1. S.T. Boys Hostel (A) Khammam (Page.No.17, B.C.R Vol.No. 4)
2. S.T. Boys Hostel, Sublaid (Page.No.87, B.C.R Vol.No. 4)

2225-02-277-04-660 S.T. Welfare

S.T.Boys (A) Hostel, Khammam

Budget Authorized Amount	Date	Amount	Balance
	73710	10.10.2000	43150
		"	30340
		10.11.2000	23620
Total	73710		97110
			-23400

S.T. Boys Hostel, Sublaid

Budget Authorized Amount	Date	Amount	Balance
	24150	17.10.2000	2560
		"	5194
		"	18885
		"	13327
		"	12379
Total	24150		52345
			-28195

The Charged Officer in his written statement has stated that he was on leave from 18.10.2000 to 07.11.2000 and 26.12.2000 to 27.12.2000. However on the said dates no excesses were detected in any of the above shown Hostels pertaining to S.C. Welfare and B.C Welfare.

In the year 2000-01 under the head of Account M.H. 2225-02-277-06-660 certain items of expenditures were booked under various hostels from 04/2001 onwards. But however there was no corresponding budget that was allocated under this particular Head of Account. The Charged Officer, in his defence statement has pleaded that the said expenditure was made as per Govt. Memo No. 12913-A/452/BC/A1/2000, dt. 03.04.2000, where in instructions were given to admit the bills pending receipt of budget allocation and authorization duly restricting the 1st quarter budget distribution of the previous Year i.e., 1999-2000. He has further stated that no budget was released during the financial year 2000-01 under the said Head of Account and he has also stated that it is the concerned department's responsibility to get the expenditure regulated for all the excess expenditure incurred due to relaxation, duly quoting para 20.3 of A.P. Budget Manual. He has further stated that the D.T.W.O Khammam has also reconciled the expenditure. But however the expenditure booked in Accounts has indicated that an amount of Rs.17,62,463/- was booked under M.H 2225-02-277-06-660 under D.T.W.O Khammam. But however no budgets were received for the year 2000-01 under said

Head of Account though budgets were allotted under said Head of Account in the year 1999-2000.

The Charged Officer's plea that Treasury Officer is not responsible for regulating the excess expenditure is rather a naïve statement. It is but logical for the Treasury to regulate the expenditure as per the budget allotments made duly restricting on the quarterly basis. When no budget is received after the completion of 1st and 2nd Quarters no efforts what so ever were made by the Charged Officer either to inform the concerned Drawing and Disbursing Officer regarding budget requirements or Director of Treasuries and Accounts, A.P. Hyderabad informing of the same. Instead, the Charged Officer has admitted the claims under the said Head of Account even in the absence of budgetary provision. Which is not mandated by any authority. And moreover it looks no efforts were made subsequently to regularize the excess expenditure contrary to the instructions contained in Govt. Memo No. 12913-A/452/BC/A1/2000, dt. 03.04.2000.

In respect of ST Boys Hostel Khammam under M.H 2225-02-277-04-660 (NP) an amount of Rs.73710=00 was authorized but however expenditure of Rs. 97010=00 was booked under the said Head of Account on various dates namely 10.10.2000 and 10.11.2000 (Page no. 17) thus there is an excess of Rs.23,400.00.

In respect of ST Boys Hostel, Sublaid an amount of Rs.24150=00 was allocated under M.H. 2225-02-277-04-660 (Non-Plan) where as expenditure was booked in the B.C.R to the extent of Rs.52345=00 {P.No.87}. It was entered in to the BCR on 17.10.2000 but in the Accounts it was established in 19.10.2000. There is a clear excess of Rs..28195=00. But however the Charged Officer in his defence has pleaded that certain bills were passed on 19.10.2000 without taking entries in the B.C.R by Sri M.A.Moizuddin, STO who was officiating as in charge A.T.O due to the charged Officer going on leave from 17.10.2000 to 07.11.2000. But however there is no clinching evidence, to suggest that Sri M.A.Moizuddin has passed the bills. And moreover the said entries were made in the B.C.R. on 17.10.2000, i.e., on the day on which the Charged Officer was officiating as A.T.O. And moreover none of the budget entries of said items were attested in the BCR either by the Charged Officer or M.A. Moizuddin. Hence the plea of the Charged Officer that Sri M.A.Moizuddin has passed the said bills can be discounted.

And similarly the plea of the Charged Officer that certain bills were passed on 27.12.2000 by Sri P.Satyananaraya, STO but officiating as in charge A.T.O, can be set aside as there is no clinching evidence to suggest that Sri P. Sathyanarayana has passed the said bills while officiating as i/c Asst. Treasury Officer.

Various figures as reflected in the Accounts and Budget Control Registers for various months during the years 1999-2000 and 2000-01 have indicated that certain items of expenditure were booked on certain dates under certain Hostels, as

shown in the Tables and narrated above, which led to admitting of excess expenditure over and above the budgetary provisions. Hence, the charge is proved.

Charge-II

It is a well-established fact that in the Govt. Transactions, expenditure should not over shoot the budget allocations. To ensure the right utilization of budgets within limits, the Budget Control Registers are provided. Hence it is the primary duty of the Treasury Officer to maintain it in a proper shape to keep a tab on the expenditure vis a vis budget allocation duly entering all details of budget allocations, authorizations and expenditure. The Charged Officer being the Treasury Officer, who is the final authority in passing of the bills, has failed to maintain the Budget Control Registers in a systematic way and it is felt that non-maintenance of Budget Control Registers in proper way has led to excesses. Hence the Charge is proved.

Charge-III:

As no specific details are obtained on the basis of the records available regarding the misclassification of expenditure from one Minor Head to another Minor Head during the periods on which the Charged Officer was officiating as Asst. Treasury Officer and Asst. Treasury Officer it is difficult to establish whether any misclassifications have taken place or not. Hence the Charge is not proved.

8. In the reference 7th read above, Sri A.Hanumantha Reddy, ATO (Retd.) was directed to explain as to why a suitable punishment should not be imposed under Rule 9 of A.P. Revised Pension Rules 1980 as the Charge-I and II framed against him were proved in the inquiry.

9. In the reference 8th cited, the DTA has furnished the explanation of the Charged Officer. In his explanation Sri A.Hanumantha Reddy has stated that he has worked as ATO in the District Treasury, Khammam for a period of five years and contended that:

- The Social Welfare, B.C.Welfare and Tribal Welfare District Heads reconciled their figures with the figures of the District Treasury without raising any objection.
- The highest body in Accounts, i.e. Comptroller Auditor General of India did not raise any objection to the expenditure incurred by these departments.
- Finally, the Public Accounts Committee, which is the Supreme body to raise objections and to recommend action against the erring officials, did not raise any objection. If this is the case, it is not justifiable to impose punishment against him.

- The Charged Officer further stated that the paid vouchers should have been brought by the Department and produced in the Inquiry for verification and acceptance by the Charged Officials and then only enquiry shall be commenced as per Rule 20 (9) (c) of A.P. Civil Services (CC & A) Rules, 1991 read with Govt. Memo.No.8388/Ser-C/2004 G.A. (Ser-C) Dept., dt. 12-3-2004, such a kind of action has not been taken either by the Department or by the Inquiry Officer.
- Hence, the Charged Officer has requested to reconsider the decision of imposing punishment and to drop further action in the matter, as he retired on superannuation on the A.N. of 28-02-2003.

10. Government, after careful examination of the Articles of Charge framed against Sri A.Hanumantha Reddy, ATO (Retd.) and his written statement of defence with reference to the findings of the Inquiry Authority and his explanations found that the contentions of **Sri A.Hanumantha Reddy, ATO,(Retd)** that when the departments have accepted the expenditure without raising any objection, it couldn't be said that he violated budget regulations and admitted the bills in excess of budget allotment and **even the Comptroller and Auditor General of India did not point any budget violations for this period in the "Finance Accounts" and "Appropriation Accounts"** and consequently the Public Accounts Committee did not point out any irregularity in the matter of admission of bills pertaining to Social Welfare, B.C. Welfare and Tribal Welfare Departments is not at all tenable. He is the bill passing authority; he has to follow the instructions of the Government and to see that the payments should not exceed the budget allocation to the Hostels. He has failed to watch the Budget Control Register while allowing the excess budget to the various SC/ST/BC welfare hostels of Khammam. Therefore, Government have come to a provisional conclusion to impose a punishment of withholding 10% of pension for a period of (5) years under Rule 9 of A.P. Revised Pension Rules, 1980 for the charge, which has been conclusively proved against him in the inquiry and issued a final show-cause notice to the Charged Officer A.Hanumantha Reddy, ATO (Retd.) directing him to submit his explanation vide reference, 9th read above.

11. In the reference 10th read above, the Charged Officer while reiterating his earlier explanations submitted his explanation to the final show cause notice for consideration and requested to drop further action against him.

12. Government, after careful examination of the Charges framed, written statement of defence and explanations of the Charged Officer, Sri A.Hanumantha Reddy, ATO (Retd.) with reference to the findings of the Enquiry Officer in detail, observe that the Charged Officer is the bill passing authority and he cannot take shelter because of non-pointing out by the C&AG, PAC. There is direct involvement of Sri A.Hanumantha Reddy. Moreover, he encouraged Sri M.Venkateswara Rao, to bypass the STOs. His explanation is not convincing. The Charges-I and II framed against him are held proved substantially in the inquiry. Therefore, Government have come to a provisional

conclusion to impose a punishment of withholding of 10% of pension for a period of five years on the Charged Officer, Sri A.Hanumantha Reddy, ATO (Retd) under Rule 9 of A.P. Revised Pension Rules, 1980 and have referred the matter to the Andhra Pradesh Public Service Commission, Hyderabad for their concurrence vide the reference 12th read above.

13. The Secretary, Andhra Pradesh Public Service Commission, Hyderabad in his letter 13th read above have informed that the Commission, after careful examination of the disciplinary case and in the light of the records made available have concurred with the proposal of the Government to impose a punishment of withholding of 10% of pension for a period of five years on the Charged Officer, Sri A.Hanumantha Reddy, ATO (Retd.) under Rule 9 of A.P. Revised Pension Rules, 1980.

14. Government, accordingly, hereby order for imposition of a punishment of withholding of 10% of pension for a period of (5) years on the Charged Officer, Sri A. Hanumantha Reddy (Retd.) under Rule 9 of A.P. Revised Pension Rules, 1980.

15. The Director of Treasuries and Accounts, Hyderabad shall take necessary further action in the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**SHAMSHER SINGH RAWAT
SECRETARY TO GOVERNMENT (FP)**

To

The individual through Director of Treasuries and Accounts, A.P., Hyderabad

The Director of Treasuries and Accounts, A.P., Hyderabad.

Copy to

The Accountant General, A.P., Hyderabad.

The Secretary, A.P., Public Service Commission, Hyderabad.

:: FORWARDED BY ORDER ::

SECTION OFFICER